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STAFF REPORT

STATE LAWS RELATING TO THE OWNERSHIP OF U.S.
LAND BY ALIENS AND BUSINESS ENTITIES

STAFF REPORT AGES811113

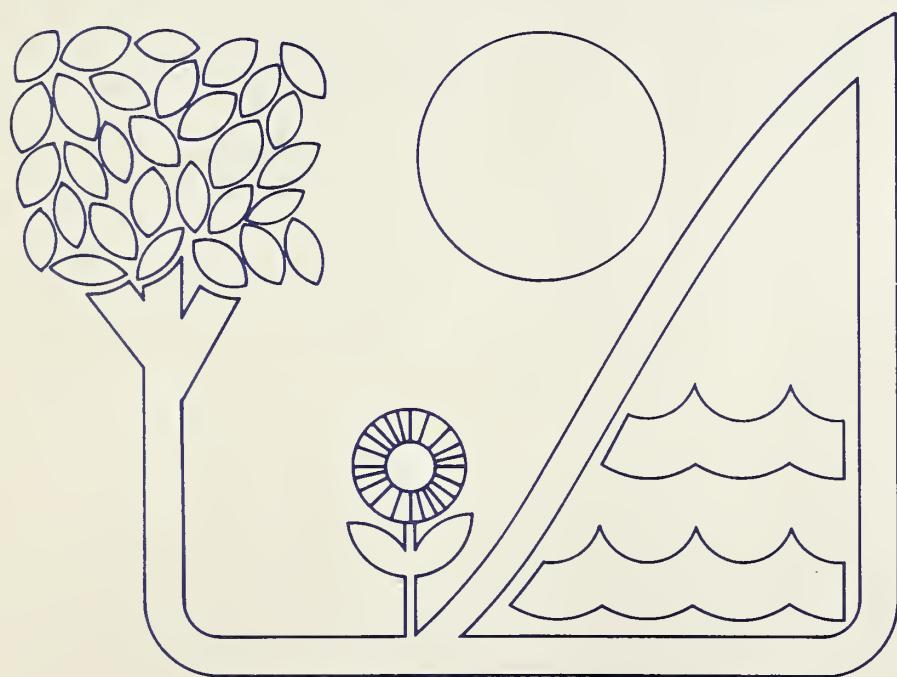
Joseph W. Mayer

November 1981

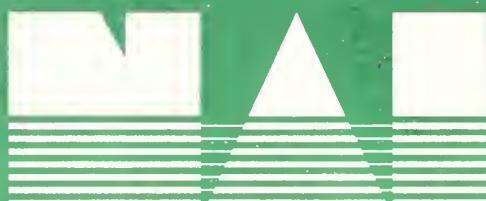
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Joseph W. Mayer

November 1981

Natural Resource Economics Division
Economic Research Service
U.S. Department of Agriculture
Washington, D.C. 20250

STATE LAWS RELATING TO THE OWNERSHIP OF U.S. LAND BY ALIENS AND
BUSINESS ENTITIES. By Joseph W. Mayer, Natural Resource Economics
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ABSTRACT

A significant number of States have laws directed at the ownership of U.S. land by aliens and business entities. These laws vary greatly from State-to-State in the degree of their severity. Thirty States have some type of law restricting alien ownership of land. Eight States require aliens to report their landholdings within the State. Thirteen States restrict business entities from owning land or engaging in the business of farming. Ten States have laws requiring business entities to report their landholdings within the State. An individual State may be included in more than one of the above categories.

Key words: State laws, aliens, corporations, landownership, restrictions, reporting requirements, land acquisition, statutes.

CONTENTS

Introduction	1
Description of Contents	1
Summary	2
State Laws	4
Alabama	4
Alaska	4
Arizona	4
Arkansas	5
California	6
Colorado	7
Connecticut	7
Delaware	7
Florida	8
Georgia	8
Hawaii	8
Idaho	9
Illinois	9
Indiana	11
Iowa	11
Kansas	17
Kentucky	19
Louisiana	20
Maine	20
Maryland	21
Massachusetts	21
Michigan	21
Minnesota	21
Mississippi	27
Missouri	27
Montana	32
Nebraska	33
Nevada	36
New Hampshire	37
New Jersey	37
New Mexico	37
New York	37
North Carolina	38
North Dakota	38
Ohio	42
Oklahoma	44
Oregon	46
Pennsylvania	47
Rhode Island	48
South Carolina	48
South Dakota	49
Tennessee	52
Texas	52

Utah	53
Vermont	53
Virginia	53
Washington	53
West Virginia	54
Wisconsin	54
Wyoming	56
References	57

STATE LAWS RELATING TO THE OWNERSHIP OF
U.S. LAND BY ALIENS AND BUSINESS ENTITIES

Joseph W. Mayer*

INTRODUCTION

The following material is intended to be a guide for persons interested in determining the way State laws may affect alien or business-entity ownership of U.S. land. The objective is to present a summary of these State laws as they appear in the statute books. The laws included here are those which most directly affect the ownership of land, but there may be other laws which indirectly affect such ownership. Although in many cases the summaries include great detail for the sake of completeness, the interpretation of possible ambiguities and inconsistencies in the statutes is not frequently presented. This survey generally does not include court decisions concerning these laws, nor does it take into account the possibility that some State laws may be overridden by U.S. constitutional provisions or treaties. Therefore, although these summaries provide a comprehensive survey of State statutory laws, they should not be relied upon for determining the status of the law in a particular State. One should consult his local attorney to determine such status.

DESCRIPTION OF CONTENTS

The summaries are presented State-by-State, and each State summary is divided into two major categories: laws affecting aliens and laws affecting corporations and other business entities. Most of the laws affecting aliens are directed at nonresident aliens only. Corporations are specifically mentioned in the title because most State laws affecting the ownership of land by business entities are specifically directed at corporate ownership. Laws affecting aliens and business entities often overlap and, thus, both categories should be consulted. In instances where corporations are specifically included in statutes directed primarily towards aliens, or vice versa, cross-references are made in the summary.

The two major categories are sometimes further subdivided into two sections: one presenting laws restricting the ownership of land and the other presenting laws requiring the reporting of land owned in the State. In addition, laws which relate to the ownership of land by aliens and business entities which cannot be classified as restrictions or reporting

*/ Legal Technician, Natural Resource Economics Division, ERS, USDA, law student, Washington College of Law of the American University. In the preparation of the report, the author received valuable assistance from J. Peter DeBraal, general attorney, NRED, ERS, USDA.

requirements are set forth in a miscellaneous section. In States where there are no specific restrictions or reporting requirements for a particular category the summary includes a statement to that effect.

The section entitled "Restrictions" generally describes laws restricting the ownership or acquisition of land. The laws may encompass real estate in general, agricultural lands, or State lands. There may be an outright restriction or possibly a limitation on the amount of acreage that can be held, the duration for which it can be held, or how it may be acquired. Laws which give general affirmative rights to acquire land are usually not presented; only laws which in some way restrict the right to acquire land are included. In the category entitled "Corporations and Other Business Entities," the restrictions pertain to both landownership and the business of farming or ranching. However, laws pertaining to the general requirements for doing business in the State are not included in the summaries.

The section entitled "Reporting Requirements" describes laws requiring those persons or entities who own or acquire land in the State to file a report disclosing that fact. These laws generally require the owner of the land to provide identifying information about himself and the land he owns. Most States require corporations and some other business entities to file general annual reports, but their mention has been omitted from the State summaries.

In States which have exceptions to their restrictions or reporting requirements explicitly mentioned in the statute, the exceptions will be presented in the summary. The enforcement of the law or the penalty for its violation are also described in the summary when the statute includes them. In addition, States often differ in their definition of terms such as agricultural land, family farm corporation, authorized farm corporation, and others. In order to clarify the meaning of the restrictions, reporting requirements, and exceptions, some definitions are given when they exist in the statute. Two terms whose definitions are generally agreed upon, but which should be defined here, are alien corporation and foreign corporation. An alien corporation is one which is incorporated outside of the United States. A foreign corporation is one which is incorporated outside of a particular State, but not necessarily outside of the United States. Alien corporations are usually treated as foreign corporations unless they are separately mentioned.

SUMMARY

There are 30 States which have some type of law restricting alien ownership of land: Arkansas, California, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Virginia, Wisconsin, and Wyoming. The restrictions on aliens vary greatly in the degree of their severity. Some States, such as Hawaii, merely have restrictions on the acquisition of State lands by aliens. Other States restrict the acquisition of land generally or agricultural land specifically, but some States, such as Maryland, may limit their restrictions to enemy aliens.

Indiana and other States restrict the amount of acreage that may be held. Finally, States such as Minnesota have outright prohibitions on alien ownership or acquisition of land, but they also generally have exceptions to those prohibitions.

There are 8 States which require aliens to report the land they own in the State: Arkansas, Illinois, Iowa, Minnesota, Missouri, North Dakota, Ohio, and Virginia. The reporting laws generally exist to enable the States to monitor the degree of foreign ownership in their jurisdictions. Alien individuals, alien corporations, or U.S. corporations in which a significant interest is owned by aliens are usually the ones required to file these reports. The information required in the reports varies from State to State.

Thirteen States have laws restricting business entities from owning land or engaging in the business of farming: Arizona, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Texas, and Wisconsin. Most of these laws restrict the ownership of agricultural land, but some restrict the ownership of real estate generally, while others restrict the purchase of State lands. Several States, such as Iowa, have long lists of exceptions to their general restrictions. An exception common to many States is one which excludes entities such as family farm corporations or authorized farm corporations from the general restrictions.

Ten States have laws requiring business entities to report the land they own in the State: Arkansas, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and South Dakota. Most of these laws pertain to business entities in general, while others only pertain to business entities in which a significant interest is owned by aliens. The information required in the reports varies from State to State.

As of September 1, five States have passed new legislation or revised old legislation in 1981: Florida, Kansas, Minnesota, Nebraska, and North Dakota. Most of this legislation has involved restrictions on corporate ownership of land, but some has focused on other entities such as trusts and pension funds. A few of these States have also revised their alien landownership laws. More bills involving alien and business-entity ownership of land are frequently being introduced in the State legislatures. Thus, the possibility exists that changes in the present law may occur in the near future.

STATE LAWS*

ALABAMA

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

ALASKA

I. Aliens

No restrictions or reporting requirements, but see II.

II. Corporations and Other Business Entities

No restrictions or reporting requirements, but the articles of incorporation of domestic corporations, applications for certificates of authority by foreign corporations, and annual reports by all corporations must disclose the name and address of each affiliate (person with legally enforceable control of stock) which is a nonresident alien or a corporation whose place of incorporation is outside the United States, and the percentage of outstanding shares controlled by each affiliate. Alaska Stat. §§ 10.05.255, 10.05.615, 10.05.702 (Supp. 1979).

ARIZONA

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

A. Restrictions:

1. No individual, corporation, or association may purchase more than 160 acres of State agricultural land or more than 640 acres of State grazing land. Ariz. Rev. Stat. § 37-240(A) (Supp. 1980-81). Ariz. Const. art. 10, § 11.

*This summary of State laws is current as of September 1, 1981.

2. No sales, leases or subleases of State lands shall be made to corporations or associations not qualified to transact business in the State. Ariz. Rev. Stat. § 37-240(B) (Supp. 1980-81).

B. Reporting Requirements: None.

ARKANSAS

I. Aliens

A. Restrictions:

1. Although the statute mentioned below in I.B. is principally a reporting statute, certain sections may imply that there is a prohibition on ownership of agricultural land by foreign parties. See Ark. Stat. Ann. §§ 77-2209, 77-2210 (Supp. 1979). Ark. Stat. Ann. § 77-2209 (Supp. 1979) states that except as provided in the act, all aliens, whether or not residents of the United States, shall be capable of acquiring any interest in any real estate except agricultural land. See also Id. § 77-2210.

B. Reporting Requirements:

1. Any foreign party or agent, trustee, or fiduciary for a foreign party who acquires any interest (except leases and options of less than 10 years) in agricultural land in any manner, shall register such ownership in the office of the circuit clerk in the county in which the land is located, within 60 days after such acquisition. The registration shall include: (1) a description of the land acquired, and (2) the name and business address of the foreign party which acquired such lands or on whose behalf the lands were acquired. The clerk shall record the information and forward copies of the registration to the secretary of state. Ark. Stat. Ann. §§ 77-2203, 77-2204, 77-2211 (Supp. 1979).

2. Exceptions:

- a. The act does not apply to agricultural land owned by a foreign party on the effective date of the act (April 19, 1979) nor to any alien while he is a bona fide resident of the United States. However, if an alien ceases to be a bona fide resident of the United States, according to one section of the act, he must register the ownership of his agricultural lands within 2 years, while another section seems to give him a period of 60 days in which to register. Id. §§ 77-2207, 77-2208.
- b. Any foreign party who acquires agricultural land for nonfarming purposes is exempt from the reporting requirement in I.B.1. However, such a foreign party must file a declaration of

intent with the secretary of state within 60 days of the acquisition. The declaration of intent must disclose: (1) the intended use of the land, (2) the foreign party's identity, and (3) a legal description of the land acquired. Any foreign party who acquires agricultural land for non-farming purposes and fails to put the land to the use described in his declaration of intent within 5 years shall register as required by I.B.1. Id. § 77-2210.

3. Enforcement: The attorney general may enforce the act by filing an action in the circuit court of the appropriate county. If the attorney general refuses to bring an action, any person claiming a violation may bring an action. If a court finds a violation of the act, it may order that the agricultural land be divested within 2 years to a nonforeign party. Any land not divested within 2 years shall be ordered sold at public sale. Id. §§ 77-2205, 77-2206.

4. Definitions:

- a. Foreign party: 1) Nonresident aliens, 2) foreign governments, 3) alien corporations, partnerships, trusts, and other legal entities, and 4) any corporation, partnership, trust or other legal entity in which a significant interest is held by any combination of 1, 2, or 3 above.
- b. Agricultural land: Land outside the corporate limits of any municipality used or capable of use for agricultural, forestry, or timber production, but not including oil, gas, and other commercial minerals underlying the land.

Id. § 77-2202.

II. Corporations and Other Business Entities

Some corporations and other business entities are explicitly affected by the alien restrictions and reporting requirements discussed above. See I.A. and I.B.

CALIFORNIA

I. Aliens

A. Restrictions:

1. Only persons who are citizens of the United States, or who have declared their intention of becoming citizens, or whose country grants reciprocal rights, or who are granted the right by treaty may be issued prospecting permits or leases on public lands. Alien corporations are not eligible for the above rights unless 90 percent or more of the shares are owned by eligible persons or corporations. Cal. Pub. Res. Code § 6801 (West 1977).
2. Only U.S. citizens or persons who have declared their intention

to become such, and are also State residents, may purchase State-owned agricultural inland, lake, swamp or overflowed lands.
Id. § 7601.

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

COLORADO

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

CONNECTICUT

I. Aliens

A. Restrictions:

Nonresident aliens are only authorized to hold and transmit real estate if it is used in mining and developing the products of the mine. Resident aliens and citizens of France may hold real estate without limitation but the right to citizens of France exists only so long as France accords the same rights to U.S. citizens. Conn. Gen. Stat. Ann. §§ 47-57, 47-58 (West 1978).

B. Reporting Requirements: None.

C. Miscellaneous:

The probate court shall order the sale of any real property which would otherwise pass by devise or intestacy to a nonresident alien, except in cases where treaties or laws permit distribution of real estate to a nonresident alien. Where there is a sale, the net proceeds shall be distributed to the nonresident alien. Conn. Gen. Stat. Ann. § 45-278a (West Supp. 1981).

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

DELAWARE

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

FLORIDA

I. Aliens

A. Restrictions:

Effective September 1, 1981, each alien corporation desiring to acquire any real property in the State shall have, prior to acquisition, and thereafter, a registered office and agent within the State. In addition, each alien corporation must file a report with the department of state between January 1 and July 1 of each year, giving identifying information. Any alien corporation which fails to meet the requirements above shall not be entitled to own, purchase, or sell any real property in the State until there has been compliance with such requirements. 1981 Fla. Laws, Ch. 81-141 (to be codified at Fla. Stat. § 943.468)

B. Reporting Requirements: See I.A.

II. Corporations and Other Business Entities

No general restrictions or reporting requirements, but see I.A.

GEORGIA

I. Aliens

A. Restrictions:

Aliens who are the subjects of governments at peace with the United States shall have the privilege of purchasing, holding, and conveying real estate. Ga. Code Ann. § 79-303(1973).

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

HAWAII

I. Aliens

A. Restrictions:

Among other requirements, a person applying to acquire State-owned farmland must have been a resident of the State at any time for at least 3 years. Haw. Rev. Stat. § 171-68 (1976).

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

IDAHO

I. Aliens

A. Restrictions:

Only U.S. citizens and aliens who have declared their intention to become U.S. citizens may purchase State lands. Idaho Code § 58-313 (1976).

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

ILLINOIS

I. Aliens

A. Restrictions:

Aliens may acquire land by purchase or inheritance, provided they dispose of the land within 6 years or become U.S. citizens, upon penalty of escheat. Ill. Ann. Stat. ch. 6, §§ 1, 2 (Smith-Hurd 1975 and Supp. 1980-81).

B. Reporting Requirements:

1. Any foreign person who acquires or transfers any interest, other than a leasehold interest of 5 years or less or a security interest, in agricultural land must submit a report to the director of agriculture not later than 90 days after such acquisition or transfer. The report must contain the following:

- a. The legal name and address of the foreign person.
- b. The citizenship of the foreign person, if an individual; or the nature of the legal entity, the country where created, and the principle place of business, if the foreign person is not an individual.
- c. The type of interest in agricultural land acquired or transferred.
- d. The legal description and acreage of the land.

- e. The purchase price paid or other consideration given.
- f. In the case of a transfer, the legal name and address of the person to whom the interest is transferred plus the information on that person as required above in b.
- g. The agricultural purposes for which the foreign person intends to use the land.
- h. Such other information as the director may require by regulation.

Ill. Ann. Stat. ch. 5, § 603(a)(Smith-Hurd Supp. 1980-81).

- 2. Foreign persons holding agricultural land before the effective date of the act (8/14/79) should have reported such holdings within 180 days of such date, including in the report similar information to that in I.B.1. Id. § 603(b).
- 3. When a person changes his status to become a foreign person or when land changes to become agricultural land, reports must be filed within 90 days of the change of status as in I.B.1. Id. § 603(c), (d).
- 4. Foreign persons other than individuals and governments may be required to submit an additional report containing the names and addresses of persons holding an interest in such foreign person, and their citizenship, or the country where organized and the principle place of business. Entities whose names are disclosed in the additional report may have to further report the names of persons holding an interest in those entities. Id. § 603(e), (f).
- 5. A foreign person required to submit a report shall be in full compliance if such person files with the director a copy of the report required under the Federal Agricultural Foreign Investment Disclosure Act of 1978. Id. § 606.
- 6. Penalty: Failure to report may result in a civil penalty imposed by the director, but such penalty when added to the Federal penalty for violation of the Agricultural Foreign Investment Disclosure Act of 1978 shall not exceed 25 percent of the fair market value of the interest in the land. Id. § 604.

7. Definitions:

- a. Agricultural land: Land used for agricultural, forestry or timber production, except agricultural land used primarily to meet pollution control laws.
- b. Foreign person: 1) Nonresident aliens, 2) foreign governments, 3) alien corporations, partnerships, trusts and other entities,

and 4) any corporation, partnership, trust or other entity in which a significant interest is held by any combination of 1, 2, or 3 above.

Id. § 602.

II. Corporations and Other Business Entities

A. Restrictions: None.

B. Reporting Requirements:

Some corporations and other business entities are explicitly affected by the alien reporting requirements mentioned in I.B.

INDIANA

I. Aliens

A. Restrictions:

Natural persons who are aliens, whether resident or nonresident, may acquire by purchase, devise, or descent, any real estate, but any alien who shall acquire in excess of 320 acres must dispose of the excess within 5 years, unless he becomes a U.S. citizen, or the excess will escheat to the State. Ind. Code. Ann. §§ 32-1-8-1, 32-1-8-2 (Burns 1973). However, other sections provide that aliens who have not declared an intention to become U.S. citizens or who reside outside of Indiana may take and hold real estate only by devise and descent, and any alien may acquire land through enforcement of a lien or debt. All such lands must be divested within 5 years. Id. §§ 32-1-7-1, 32-1-7-2, 32-1-7-3. Note, these sections may have been superseded by the sections above, but they still remain on the books.

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

IOWA

I. Aliens

A. Restrictions:

1. A nonresident alien, foreign business, or foreign government, or an agent, trustee, or fiduciary thereof shall not purchase or otherwise acquire any interest in agricultural land in the State. Iowa Code Ann. §§ 567.2, 567.3(1) (West Supp. 1980-81).
2. A person or business which acquires agricultural land, except by devise or descent, whose status changes so that it becomes

a nonresident alien or foreign business, must divest itself of all interest in the land within 2 years of the change of status. Id. § 567.6.

3. Exceptions:

- a. All those holding agricultural land on January 1, 1980, who would otherwise be restricted by this act, may continue to own or hold the land, but may not purchase or otherwise acquire additional agricultural land. Id. § 567.3(1).
- b. The restrictions do not apply to agricultural land acquired by devise or descent, but such land must be divested within 2 years of the acquisition. Id. §§ 567.3(3), 567.5.
- c. The restrictions shall not apply to an interest in agricultural land, not to exceed 320 acres, acquired for an immediate or pending use other than farming. The land must be put to that use within 5 years after acquisition and shall not be used for farming before being put to a nonfarming use, except under lease to one who is not subject to restrictions on agricultural landholdings. Id. §§ 567.3(3), 567.4.

4. Enforcement: The attorney general may bring an action in the district court of the county in which the land is located for land acquired in violation of the act. The court may declare that the land be escheated to the State. Id. §§ 567.9, 567.10.

5. Definitions:

- a. Agricultural land: Land suitable for use in the production of agricultural crops, poultry, eggs, milk, fruit or other horticultural products, livestock, grazing, timber, forest products, nursery products, and sod. It does not include a contract where a processor of farm products provides farm services.
- b. Foreign business: A corporation incorporated under the laws of a foreign country, or a business entity in which a majority interest is owned directly or indirectly by nonresident aliens. Legal entities including trusts do not affect the determination of ownership of a foreign business.

Id. § 567.1.

B. Reporting Requirements:

1. Registration. Nonresident aliens, corporations created under the laws of a foreign country, business entities in which a majority interest is owned directly or indirectly by nonresident aliens, or a foreign government which owns or acquires an interest in agricultural land must register the land with the secretary of state within 60 days. The

registration shall contain the name of the owner and the location and number of acres. If the owner of the land is an agent, trustee, or fiduciary of a nonresident alien, foreign business, or foreign government, the registration shall contain the name of any principal for whom the land was purchased. Id. § 567.7.

2. Reports. A nonresident alien, foreign business, or foreign government acquiring agricultural land not subject to the restrictions of this act because the land was acquired for an immediate or pending use other than farming shall file a report with the secretary of state before March 31 of each year. The report shall contain the following:
 - a. The name of the owner of the land or owner of the interest in the land.
 - b. If the land is owned by an agent, trustee, or fiduciary of a nonresident alien, foreign business, or foreign government, the name of any principal for whom the land was purchased.
 - c. The location and the number of acres.
 - d. The date the land or the interest in the land was acquired.
 - e. The immediate and pending use for which the land or the interest in the land was acquired and the status of the land's development for the purpose other than farming.
 - f. The present use of the land.

Id. § 567.8.

3. Penalty: Failure to register or to file a report as required by this act shall be punishable, for each offense, by a fine of not more than \$2,000. Id. § 567.11.
4. Definitions: See I.A.5.

C. Miscellaneous: See II.B, C.

II. Corporations and Other Business Entities

A. Restrictions:

1. No corporation or trust shall either directly or indirectly acquire or otherwise obtain or lease any agricultural land in the State. Iowa Code Ann. § 172C.4 (West Supp. 1980-81).

2. Exceptions:

- a. Family farm corporations, authorized farm corporations, family trusts, authorized trusts, and testamentary trusts. (For definitions see II.A.4.)

- b. A bona fide encumbrance taken for security.
- c. Land acquired by a corporation for research or experimental purposes, if the commercial sales from such land are incidental (less than 25 percent of gross sales) to those purposes.
- d. Land acquired by a nonprofit corporation.
- e. Land acquired by a corporation or trust for immediate or potential nonfarming uses.
- f. Land acquired by a corporation in the collection of debts or enforcement of a lien.
- g. A municipal corporation.
- h. Land acquired by a trust company or bank as trustee for a family trust, authorized trust, testamentary trust, or a nonprofit corporation.
- i. Certain company towns.
- j. Agricultural land held or leased by a corporation on July 1, 1975, or by a trust on July 1, 1977, as long as that entity continues to hold or lease the land.

Id. § 172C.4 (1)-(11).

3. Enforcement: Violations are punishable by fines of not more than \$50,000 and any land acquired in violation of the act must be divested within 1 year. Id. § 172C.4(12).

4. Definitions:

- a. Agricultural land: Same as I.A.5 except that timber, forest products, nursery products, and sod are not included in the prohibited products here.
- b. Family Farm corporation: 1) Founded for the purpose of farming and the ownership of agricultural land, 2) a majority of the stock is held by and a majority of the stockholders are persons related to each other, 3) all the stockholders are natural persons or persons acting as fiduciaries for natural persons, and 4) 60 percent of the corporation's gross revenues over the last 3 years comes from farming.
- c. Authorized farm corporation: 1) Founded for the purpose of farming and the ownership of agricultural land, 2) the stockholders do not exceed 25 in number, and 3) the stockholders are all natural persons or fiduciaries for natural persons or nonprofit corporations.

- d. Family trust: 1) A majority interest in the trust is held by and a majority of the beneficiaries are persons related to each other and 2) all the beneficiaries are natural persons or fiduciaries or nonprofit corporations and are not acting as a trustee for a prohibited trust.
- e. Authorized trust: 1) Beneficiaries do not exceed 25 in number, 2) all the beneficiaries are natural persons or fiduciaries or nonprofit corporations and are not acting as a trustee for a prohibited trust, and 3) its income is not exempt from U.S. or Iowa taxation.

Id. § 172C.1

5. See also I.A.

B. Reporting Requirements:

- 1. Corporations: All corporations which own or lease agricultural land must file yearly reports with the secretary of state containing the following information:
 - a. The type of agricultural activity engaged in by the corporation.
 - b. The acreage and location of agricultural land owned or leased by the corporation, including a breakdown of the acreage by use.
 - c. The approximate number and kind of poultry or livestock owned, contracted for, fed or kept by the corporation during the preceding year.
 - d. The number of acres owned and operated by, leased by, or leased to the corporation. If a livestock or crop-share lease, the corporation's share of the livestock or crop must be disclosed.
 - e. If the land is held for a nonfarming purpose, a statement of what the purpose is.
 - f. The name, address, residence, citizenship, and the number of shares held by any nonresident alien shareholder holding 5 percent or more of any class of stock, and the name, address, and number of shares held by all shareholders owning more than 10 percent of any class of stock.
 - g. Whether the corporation is a family farm corporation or authorized farm corporation, and the number of shares held by persons residing on or actively engaged in farming.

Id. § 172C.5.

2. Limited partnerships: Each limited partnership owning or leasing agricultural land must file a report with the secretary of state before March 31 each year containing similar information to that which corporations are required to report. In addition, limited partnerships must report the name, residence, and principal occupation of each member of the limited partnership and, if a nonresident alien partner, his citizenship. The report must also include the amount of capital contributed by and the share of the profits of each limited partner. *Id.* § 172C.6.
3. Fiduciaries: Every person acting as a fiduciary for a corporation, limited partnership or nonresident alien who holds agricultural land must file a report with the secretary of state before January 31 of each year, giving identifying information on the corporation, limited partnership, or nonresident alien and the acreage and location of the land owned by the fiduciary. *Id.* § 172C.7.
4. Beneficiaries: Any corporation, limited partnership, or nonresident alien identified as a beneficiary in a report under II.B.3. must file the respective report for that entity under II.B.1, 2 and I.B.1 before March 31 of each year. *Id.* § 172C.8.
5. Penalty: Failure to timely file a report or the filing of false information is punishable by a civil penalty not to exceed \$1,000. *Id.* § 172C.11.
6. Definitions: See II.A.4.
7. See also I.B.

C. Miscellaneous:

1. The county assessor shall forward to the secretary of state, by October 1 of each year, the name and address of every corporation, nonresident alien, and trust owning agricultural land in the county, as shown by the assessment rolls of the county. *Id.* § 172C.12.
2. The county recorder shall forward to the secretary of state, by December 1 of each year, the names and addresses of each limited partnership owning agricultural land or engaged in farming in the county as shown by county records. *Id.* § 172C.13.
3. Every deed by which any real property is transferred must be accompanied by a declaration of value as a prerequisite to recording. On transfers of agricultural land, the declaration of value must include whether the purchaser is a corporation, limited partnership, trust, alien, or nonresident alien. This information must be sent to the

secretary of state and is available for public inspection in the office of the county recorder. Id. § 428A.1, as amended by Senate File 2071, 1980 Iowa Legis. Serv.

KANSAS

I. Aliens

A. Restrictions:

1. Aliens ineligible for U.S. citizenship may inherit, hold, or transmit real estate in Kansas only as permitted by treaty. Kan. Stat. § 59-511 (1976).
2. The devise of real estate in Kansas is prohibited to any foreign country, subdivision thereof, or city, body politic, or corporation located therein or existing under the laws thereof, except devises to institutions for religious, educational, or charitable purposes. Id. § 59-602.

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

A. Restrictions:

1. No corporation, trust, limited corporate partnership, or corporate partnership, shall, either directly or indirectly, own, acquire, or otherwise obtain or lease any agricultural land in the State. 1981 Kan. Sess. Laws ch. 106, § 2, effective July 1, 1981.

2. Exceptions:

- a. Family farm corporations, authorized farm corporations, family trusts, authorized trusts, and testamentary trusts. (For definitions see II.A.4.)
- b. A bona fide encumbrance taken for security.
- c. Land acquired as a gift, either by grant or devise, by an educational, religious, or charitable nonprofit corporation.
- d. Land acquired by a corporation which is necessary for the operation of a nonfarming business. Such land may not be used for farming except under lease to a person or entity that is permitted to own or lease agricultural land. The corporation shall not engage in the farming operation nor receive any financial benefit other than rent from the operation.
- e. Land acquired by a corporation in the collection of debts or through enforcement of a lien.

- f. A municipal corporation.
- g. Land acquired by a trust company or bank in a fiduciary capacity for a nonprofit corporation.
- h. Land owned or leased on July 1, 1981, if 1) the entity owned or leased such land before July 1, 1965, 2) the entity was in compliance with Kan. Stat. § 17-5901 prior to its repeal by this act, or 3) the entity was not in compliance with Kan. Stat. § 17-5901 but is in compliance with this act by July 1, 1991.
- i. Land held or leased by a corporation for use as a feedlot.
- j. Land used for educational research or scientific or experimental farming.
- k. Land used for the commercial production of seed for sale or for the growing of alfalfa, by an alfalfa processing entity, if such land is located within 30 miles of such entity's plant site.
- l. Land owned or leased by a corporate partnership or limited corporate partnership in which the partners therein are persons or entities permitted to own agricultural land.
- m. Any corporation organized for coal mining purposes which engages in farming on any tract of land owned by it which has been strip mined for coal.

Id.

- 3. Enforcement: The attorney general shall institute suits to enforce the provisions of the act. Violators of the act are subject to a civil penalty of not more than \$50,000 and must divest themselves of the acquired land within 1 year. Id.

4. Definitions:

- a. Agricultural land: Land suitable for use in the production of agricultural crops, poultry, eggs, milk, fruit or other horticultural products, grazing, or livestock. It does not include the production of timber, forest products, nursery products, or sod, and does not include contracts to provide farm services.
- b. Family farm corporation: 1) Founded for the purpose of farming and the ownership of agricultural land, 2) a majority of the stock is held by and a majority of the stockholders are persons related to each other, 3) all the stockholders are natural persons or fiduciaries for natural persons, and 4) at least one of the stockholders is a person residing on the farm or actively engaged in the farming operation.

- c. Authorized farm corporation: 1) A Kansas corporation, all incorporators of which are Kansas residents, 2) founded for the purpose of farming and the ownership of agricultural land, 3) the stockholders do not exceed 15 in number, and if a stockholder dies and more than one person receives stock by bequest, all such persons shall be considered collectively as one stockholder, and 4) at least 30 percent of the stockholders are persons residing on the farm or actively engaged in its day to day operation.
- d. Family trust: 1) A majority of the equitable interest in the trust is held by and a majority of the beneficiaries are persons related to each other and 2) all the beneficiaries are natural persons, fiduciaries, or nonprofit corporations, and are not trustees for a trust.
- e. Authorized trust: 1) The beneficiaries do not exceed 15 in number, and if one beneficiary dies, and more than one person succeeds to the interest, all such persons shall be collectively considered one beneficiary, 2) the beneficiaries are all natural persons, fiduciaries, or nonprofit corporations, and 3) its gross income is not exempt from U.S. or Kansas taxation.

Id. § 1.

B. Reporting Requirements:

- 1. All corporations that own or lease 10 or more acres of land used or usable for farming or agricultural or horticultural purposes must report additional information in their annual reports, including:
 - a. Acreage and location of each parcel owned or leased by the corporation and used or usable for agricultural or horticultural purposes.
 - b. Purposes for which the land is owned or leased.
 - c. Value of nonagricultural and agricultural assets within the State stated separately.
 - d. Total number of stockholders.

Kan. Stat. §§ 17-5902, 17-7503, 17-7505 (1974 and Supp. 1980).

- 2. Penalty: Any person who knowingly submits, or through proper exercise of care should have known that he was submitting, a false statement or who fails to submit a statement shall be guilty of a misdemeanor. Id. § 17-5902(b).

KENTUCKY

I. Aliens

A. Restrictions:

1. Any alien, not an enemy, after declaring his intention to become a U.S. citizen may recover, inherit, hold, and dispose of any interest in real property as if he were a citizen of the State. However, if citizenship is not obtained within 8 years from the time of acquisition of the property, the property will be subject to escheat. Ky. Rev. Stat. §§ 381.290, 381.300 (1972).
2. Any alien resident in Kentucky, not an enemy, may acquire land for a residence or business for a period not exceeding 21 years. Id. § 381.320.
3. Nonresident aliens may hold property acquired by devise or descent for 8 years. Id. § 381.330.

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

A. Restrictions:

No Corporation shall hold any real estate, except such as may be proper and necessary for carrying on its legitimate business, for a longer period than 5 years, under penalty of escheat. An escheat action shall be preceded by a written notice given to the corporation requiring it to dispose of the property within 2 years of receipt of the notice, and no action shall be brought before that time. Ky. Rev. Stat. § 271A.705 (1981).

B. Reporting Requirements: none.

LOUISIANA

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

MAINE

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

MARYLAND

I. Aliens

A. Restrictions:

Any alien, not an enemy, may own, sell, devise, dispose of, or otherwise deal with property in the same manner as if he had been a citizen of the State by birth. Md. Real Prop. Code Ann. § 14-101 (1974).

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

MASSACHUSETTS

I. Aliens

No restrictions or reporting requirements.

II. Corporation and Other Business Entities

No restrictions or reporting requirements.

MICHIGAN

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

MINNESOTA

I. Aliens

A. Restrictions:

1. No individual shall acquire, directly or indirectly, any interest (including leases) in agricultural land unless the individual is a U.S. citizen or a permanent resident alien. In addition to the restrictions in II.A, no corporation, partnership, trustee, or other business entity shall acquire or obtain any interest in any title to agricultural land unless at least 80 percent of each class of stock is held directly or indirectly by U.S. citizens or permanent resident aliens. Minn. Stat. Ann. § 500.221(2) (West Supp. 1981), as amended by H.F. 697, filed June 1, 1981.

2. Any person or business entity which acquires an interest in agricultural land after May 27, 1981, and thereafter changes status so as to become unqualified to acquire such land must divest itself of such land within 1 year of the change in status. A report must also be filed. See I.B.3. Id.

3. Exceptions:

- a. Agricultural land acquired by devise or inheritance, as security for indebtedness, in the collection of debts, or enforcement of a lien. However, lands acquired in the collection of debts or by enforcement of a lien must be disposed of within 3 years of acquisition.
- b. The restriction does not apply to citizens of foreign countries whose rights to hold land are secured by treaty.
- c. Land used for transportation purposes by a common carrier.
- d. Lands acquired for mining purposes. However, pending the mining use, the land may not be used for farming except under lease to a person or entity permitted to hold the land.
- e. Lands operated for research or experimental purposes, if the ownership of the land is incidental to the research or experimental objectives and the total acreage owned does not exceed the amount owned on May 27, 1977.

Id.

4. Enforcement: If, after investigation, the commissioner of agriculture has reason to believe that any person is violating this act, he shall commence an action in district court. If a violation is found, the land must be divested within 1 year. Any land not divested will be sold at public sale. Id.
§ 500.221(3).

5. Definitions:

- a. Agricultural land: Land capable of use in the production of agricultural crops, livestock, poultry, milk, fruit and other horticultural products. It does not include land zoned by a local governmental unit for other than agricultural use.
- b. Permanent resident alien: A natural person lawfully admitted into the United States for permanent residence and in fact maintains his principal, actual dwelling place in the United States for at least 6 months out of every consecutive 12 month period. An alien who has been physically absent from the United States for more than 6 months shall be presumed not to be a permanent resident alien.

Id. § 500.221(1).

B. Reporting Requirements:

1. Any natural person, corporation, partnership, trustee, or other business entity prohibited from future acquisition of agricultural land may retain title to any agricultural land lawfully acquired prior to June 1, 1981, but shall file reports with the commissioner of agriculture before January 31 of each year containing the following:
 - a. Description of all agricultural land held within the State.
 - b. Purchase price and market value of land.
 - c. The use to which the land is put.
 - d. Date of acquisition.
 - e. Other reasonable information required by the commissioner.

Id. § 500.221(4).

Penalty: Willful failure to properly register any land as required above is a gross misdemeanor. Each full month of failure to register is a separate offense. Id. § 500.221(5).

2. Every permanent resident alien who owns property subject to the restrictions above, shall annually, sometime in January, file with the commissioner a statement giving the dates and places of that person's residence in the United States during the prior calendar year. The statement must include an explanation of any absences totalling more than 6 months and any facts which support the continuation of permanent resident alien status. The commissioner shall review the statement within 30 days and notify the alien whether the facts support continuation of the permanent resident alien status. Id. § 500.221(1a).
3. Any person or business entity which acquires an interest in agricultural land and thereafter changes status so as to become unqualified to acquire such land shall notify the commissioner within 30 days of the loss of qualification and file a report giving the following information:
 - a. A description of all agricultural land owned in the State.
 - b. The date the land was acquired.
 - c. The date when the person or entity ceased to be qualified.
 - d. Other information reasonably required by the commissioner.

In addition, the divestiture of the land (see I.A.2) must be reported to the commissioner within 90 days of the divestiture,

and periodic reports such as those in I.B.1 must be filed with respect to land acquired before May 27, 1977.

Id. § 500.221(2a).

4. Definitions: See I.A.5.

II. Corporations and Other Business Entities

A. Restrictions:

1. No corporation or pension or investment fund shall engage in farming, nor directly or indirectly, own, acquire or otherwise obtain any interest in any land used or capable of being used for farming. Minn. Stat. Ann. § 500.24(3) (West Supp. 1981), as amended by H.F. 28, filed May 11, 1981.

2. Exceptions:

- a. Family farm corporations and authorized farm corporations. (For definitions see II.A.4.)
- b. A bona fide encumbrance taken for security.
- c. Land owned or leased by a corporation as of May 20, 1973, or a pension or investment fund as of May 12, 1981, including the normal expansion of such ownership in any 5 year period, at a rate not to exceed 20 percent of the amount of land owned or leased on those dates. Also permitted is additional ownership reasonably necessary to meet requirements of pollution control regulations.
- d. Land operated for research or experimental purposes, provided that commercial sales from such farm are incidental to those purposes.
- e. Land operated by a corporation for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod.
- f. Land acquired as a gift by an educational, religious or charitable non-profit corporation, or by a pension or investment fund, provided that all such lands must be divested within 10 years unless they are used for purposes exempt from the restriction under d and e above.
- g. Land acquired which is zoned nonagricultural, is located within an incorporated area, or for which the entity has documented plans to use and subsequently uses within 6 years from the date of purchase for a specific nonfarming purpose. Such lands may be held in such acreage as may be necessary for nonfarm business operations. Pending the nonfarm use, the land cannot be used for farming except under lease to an entity that is not subject to restrictions on farming.

- h. Land acquired in the collection of debts or by enforcement of a lien. However, all lands so acquired must be disposed of within 10 years and cannot be used for farming during the 10 year period except under lease to a nonrestricted entity.
- i. Land acquired by a public utility or by an electric generation or transmission cooperative. However, such land may not be used for farming except under lease to a family farm or a family farm corporation.
- j. Land leased or owned totaling no more than 2,700 acres, acquired after May 20, 1973, for replacing or expanding asparagus growing operations, provided that 2,000 acres of asparagus production had been established.
- k. Land leased or owned by an authorized farm corporation as defined in Minn. Stat. 1974, § 500.24, but which does not qualify as an authorized farm corporation under this statute.
- l. A corporation formed primarily for religious purposes whose sole income is derived from agriculture.
- m. An interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm or authorized farm corporation but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming.

Id. § 500.24(3).

- 3. Enforcement: The attorney general shall bring action for suspected violations of the act in the district court of the county where the land is located. Those entities found to be in violation of the act shall have 5 years to divest themselves of the lands, after which time any lands not divested will be sold at public sale. Id. § 500.24(5).

4. Definitions:

- a. Agricultural land: Land used for the production of agricultural products, livestock, milk, or fruit and other horticultural products. It does not include the processing, refining, or packaging of those products, or providing of farm services. It also does not include the production of timber, forest, or poultry products.
- b. Family farm corporation: 1) Founded for the purpose of farming and the ownership of agricultural land, 2) a majority of the voting stock is held by and a majority of stockholders are persons related to each other, 3) at least one of the related persons is residing on or actively operating the farm, and 4) none of the stockholders are corporations.

- c. Authorized farm corporation: 1) Shareholders do not exceed 5 in number, 2) all shareholders other than estates are natural persons, 3) does not have more than one class of shares, 4) revenues from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts, and 5) shareholders holding a majority of the shares must be residing on the farm or actively engaging in farming.
- d. Pension or investment fund: A pension or employee welfare benefit fund, mutual fund, life insurance company separate account, common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, real estate investment trust, or an investment company. It does not include a benevolent trust established by the owners of a family farm or authorized farm corporation.

Id. § 500.24(2).

5. See also I.A.

B. Reporting Requirements:

- 1. Every corporation or pension or investment fund which holds any interest in agricultural land (including land used for poultry production), other than a bona fide encumbrance for security, or which is engaged in, or proposes to commence farming after May 20, 1973, shall file an initial report and, later, annual reports with the commissioner of agriculture containing the following:
 - a. The name and address of the corporation or pension or investment fund.
 - b. The acreage and location of each parcel owned or leased for agricultural purposes.
 - c. The names and addresses of officers, administrators, directors, trustees, and shareholders owning more than 10 percent of stock.
 - d. The farm products produced or intended to be produced.

Id. § 500.24(4).

- 2. Reports by corporations seeking to qualify as family farm corporations or authorized farm corporations shall contain the following additional information:
 - a. The number of shares owned by persons residing on the farm or actively engaged in farming, or their relatives.
 - b. The name, address, and number of shares owned by each shareholder.

c. A statement as to the percentage of gross receipts derived from rent, royalties, dividends, interest, and annuities.

Id.

3. Penalty: No pension or investment fund or corporation shall commence farming until the commissioner certifies the initial report. Any failure to file a required report or the willful filing of false information constitutes a gross misdemeanor.

Id.

4. Definitions: See II.A.4.

5. See also I.B.

MISSISSIPPI

I. Aliens

A. Restrictions:

1. Resident aliens may hold and dispose of land as if they were citizens. Nonresident aliens may not own land, upon penalty of escheat, with the following exceptions: a person who has declared his intention to become a citizen, property acquired as security for a debt, and citizens of Syria and Lebanon acquiring through inheritance. Nonresident aliens may also acquire land through enforcement of a lien but may not hold the land for more than 20 years. Miss. Code Ann. § 89-1-23 (1974).
2. Corporations, nonresident aliens, and associations composed in whole or in part by nonresident aliens may not directly or indirectly purchase or become owners of State land. Miss. Code Ann. § 29-1-75 (1972).

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

A. Restrictions: See I.A.2.

B. Reporting Requirements: None.

MISSOURI

I. Aliens

A. Restrictions:

1. No nonresident alien, foreign business, or agent, trustee, or fiduciary thereof shall acquire by grant, purchase, devise,

descent or otherwise agricultural land in the State. Leases and options for terms of 10 years or longer are included in this restriction. Mo. Ann. Stat. §§ 442.571, 442.581 (Vernon Supp. 1981).

2. Any resident alien who ceases to be a bona fide resident of the United States shall divest himself of his agricultural lands within 2 years. Any agricultural lands not divested within 2 years will be ordered sold at public sale.
Id. § 442.586.

3. Exceptions:

- a. Agricultural land owned before August 13, 1978, so long as it is held by the same owner. Id.
- b. Agricultural land or any interest therein acquired for immediate or potential use in nonfarming purposes. This land may be held in such acreage as may be necessary to the nonfarm business operation. However, pending the development for the nonfarm purpose, the land may not be used for farming except under lease to certain entities permitted by statute. Id. § 442.591.
4. Enforcement: If land is acquired in violation of the act or ceases to be used for nonfarming purposes, the attorney general shall bring an action in the circuit court of the county where the land is located. When a violation is found, the court shall order that the land be divested within 2 years. Any land not divested within 2 years will be sold at public sale. Id. § 442.576.

5. Definitions:

- a. Agricultural land: Any tract of land greater than 5 acres, including but not limited to land used in the production of agricultural crops, fruit and other horticultural products, livestock, poultry, and milk products.
- b. Foreign business: Any business entity whether or not incorporated, including but not limited to corporations, partnerships, limited partnerships, and associations, in which a controlling interest is owned by nonresident aliens. In determining ownership of a foreign business, legal fictions such as corporate form or trust shall be disregarded.

Id. § 442.566.

B. Reporting Requirements:

1. Any foreign person who held any interest (including leases of 10 years or more and beneficial interests in land under contracts of sale), other than a security interest, in agricultural land on September 28, 1979, should have submitted a report to the

director of agriculture within 60 days of that date. Those reports already submitted and those reports filed late must contain the following:

- a. The legal name and address of the foreign person.
- b. The citizenship of the foreign person or its principal place of business and nation where it was created.
- c. The legal name and address of each person who holds a substantial interest in the foreign person and that person's citizenship or its principal place of business and the nation where it was created.
- d. The type of interest that is held in agricultural land.
- e. A legal description of the agricultural land, including the total acreage involved.
- f. The date of acquisition and the purchase price.
- g. A declaration of the agricultural use.
- h. If the land was acquired for a nonfarm use, its intended use.

Id. § 442.592.

2. Any foreign person who acquires or transfers any interest, as in I.B.1, other than a security interest, in agricultural land, must submit a report to the director of agriculture within 30 days of such acquisition or transfer. The report must contain the same information as under I.B.1 plus, if the land is transferred, the name, address, and citizenship or principal place of business of the person to whom the land was transferred. Id.
3. Exception: No reporting requirement exists if the holding, acquisition, or transfer of agricultural land by the foreign person is an interest in the extraction, refining, processing, or transportation of oil, gas, coal, or lignite. Id.
4. Penalty: Any person who fails to file a report required under the provisions of this section is liable for an amount not to exceed 25 percent of the fair market value of the person's interest in the agricultural land. Id.
5. Definitions:
 - a. Foreign person: 1) Nonresident aliens, 2) alien entities, 3) foreign governments, and 4) entities created under the laws of the United States which are substantially controlled by any combination of 1, 2, or 3, above. Id.
 - b. Agricultural land: See I.A.5.a.

II. Corporations and Other Business Entities

A. Restrictions:

1. Since September 28, 1975, no corporation may engage in farming unless it was already engaged in farming at that time. In addition, no corporation shall, directly or indirectly, acquire or otherwise obtain any interest in any title to agricultural land in the State. Id. § 350.015.
2. Exceptions:
 - a. Family farm corporations and authorized farm corporations. (For definitions see II.A.4.)
 - b. A bona fide encumbrance taken for security.
 - c. Land owned or leased as of September 28, 1975, including additional acreage for normal expansion at a rate not to exceed 20 percent in any 5 year period, and additional acreage reasonably necessary to meet requirements of pollution control regulations.
 - d. A farm operated solely for research or experimental purposes, provided that any commercial sales shall be incidental to the research or experimental objectives.
 - e. Any interest when acquired by an educational, religious, or charitable not for profit corporation or association.
 - f. Agricultural land operated by a corporation for: 1) growing nursery plants, vegetables, grain or fruit used exclusively for brewing or winemaking or distilling purposes and not for resale; 2) forest cropland; 3) the production of poultry, poultry products, fish or mushroom farming; 4) the production of registered breeding stock for sale to farmers to improve their breeding herds; 5) the production of raw materials for pharmaceutical manufacture, chemical processing, food additives and related products, and not for resale; 6) alfalfa dehydration exclusively, and only as to said lands lying within 15 miles of a dehydrating plant, and crops raised thereon which shall be used only for further processing.
 - g. Land acquired for immediate or potential use in nonfarming purposes, in such acreage as is necessary for the nonfarm business operation. Pending the development of the land for nonfarm purposes, such land may not be used for farming except under lease to certain entities.
 - h. Land acquired in the collection of debts or by enforcement of a lien, provided that such lands may be held for only 10 years.

- i. The raising of hybrid hogs in connection with operations designed to improve the quality of hybrid hogs through selective breeding.
- j. A bank or trust company acting as administrator or executor of a will, or as trustee for a trust created by a family farm or authorized farm corporation. However, a bank or trust company acting in the administration of a trust whose primary purpose is making investments in agricultural property is not exempt from the restrictions.

Id.

- 3. Enforcement: The attorney general shall institute an action in county circuit court for suspected violations. If the court finds a violation, it shall order that the land be divested within 2 years. Any lands not divested within such time shall be ordered sold at public sale. Id. § 350.030.

4. Definitions:

- a. Agricultural land: Land used or cultivated for the production of agricultural crops, livestock, poultry (but see II.A.2.f.), milk, fruit or other horticultural products. It does not include contracts for farm services.
- b. Family farm corporation: 1) Incorporated for the purpose of farming and the ownership of agricultural land, 2) at least one-half of the voting stock is held by and at least one-half of the stockholders are persons related to each other, 3) at least one of the stockholders is a person residing on or actively operating the farm, and 4) none of the stockholders are corporations prohibited from farming.
- c. Authorized farm corporation: 1) All the shareholders, other than estates or trusts, are natural persons and 2) at least two-thirds of the corporation's total net income is derived from farming.

Id. § 350.010.

5. See also I.A.

B. Reporting Requirements:

- 1. Every corporation engaged in farming or proposing to commence farming must file a report with the director of agriculture. No corporation may commence farming in the state until it has filed the report. The report must contain the following:
 - a. The name and place of incorporation of the corporation.
 - b. The address of the registered office in the State and the name and address of the registered agent.

- c. The acreage and location of land owned or leased for farming
- d. The names and addresses of officers and directors of the corporation.

Id. § 350.020.

- 2. A corporation seeking to qualify as a family farm corporation or an authorized farm corporation must report the following additional information:

- a. The number of shares owned by persons residing on the farm or actively engaged in farming, or their relatives.
- b. The name, address, and number of shares owned by each shareholder.
- c. The percentage of net receipts derived from sources other than farming.

Id.

- 3. Every corporation, except a family farm corporation, engaged in farming in the state shall file reports such as those in II.B.1. whenever any of the initially filed information changes; whenever the ownership of the controlling interest in the corporation changes; or whenever the land ceases to be used for farming or is sold. Id.

- 4. Penalty: Failure to file a required report, or the use of false information, shall be a misdemeanor punishable by a fine of not less than \$500 or more than \$1,000. Id.

- 5. Definitions: See II.A.4.

- 6. See also I.B.

MONTANA

I. Aliens

A. Restrictions:

- 1. No person is disqualified to take as an heir because he, or a person through whom he claims, is an alien, unless the country in which the person resides does not allow reciprocity. Mont. Code Ann. § 72-2-214 (1979).
- 2. State lands may be sold only to citizens and those persons who have declared their intent to become citizens or corporations organized under the laws of this State. As far as it is possible to determine, lands should not be sold to speculators. No person or corporation is eligible to

purchase more than one section of land, and this area shall not include more than 160 acres of land susceptible of irrigation. Id. §§ 77-2-306, 77-2-307.

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

A. Restrictions: See I.A.2.

B. Reporting Requirements: None.

NEBRASKA

I. Aliens

A. Restrictions:

1. Aliens and corporations not incorporated in Nebraska are prohibited from acquiring title to or taking or holding any land or real estate, or any lease for more than 5 years, or any other greater interest less than fee in land or real estate in the State. Neb. Rev. Stat. § 76-402 (1976).
2. A corporation holding real estate which has a majority of its capital stock owned by aliens, or has aliens comprising a majority of its board of directors, or has an alien as an executive officer or manager will be considered an alien and subject to the restrictions above. In addition, if any such corporation is a domestic corporation, it will forfeit its charter and be dissolved. If such corporation is foreign, it will forfeit its right to do business in the State. Id. §§ 76-406, 76-407.

3. Exceptions:

- a. U.S. corporations doing business in the State may acquire, own, hold, or operate leases for oil, gas, or other hydro-carbon substances, and may hold or lease real estate necessary for such activities. Id. § 76-404.
- b. A resident alien may acquire land by devise or descent only, provided it is disposed of within 5 years. Id. § 76-405.
- c. Aliens and foreign corporations may acquire real estate through enforcement of a lien or collection of a debt. However, all lands so acquired must be sold within 10 years. Id. § 76-411.
- d. The restrictions do not apply to real estate necessary for the construction and operation of railroads, public utilities, and common carriers. Id. § 76-412.

- e. Aliens and foreign corporations may acquire land necessary for the erection of manufacturing and industrial establishments or for the erection and maintenance of petroleum filling stations. Id. § 76-413.
- f. The restrictions are not applicable to real estate lying within the corporate limits of cities and villages, or within 3 miles thereof. Id. § 76-414.

- 4. Enforcement: Land held in violation of the restrictions above will escheat to the State. The escheat involves a judicial forfeiture but requires payment of full value to the alien. Id. §§ 76-401, 76-409.
- 5. A nonresident alien's right of inheritance is contingent upon a reciprocal right for U.S. citizens in the alien's home country. Neb. Rev. Stat. § 4-107 (1977).

B. Reporting Requirements: None, but see II.B.

II. Corporations and Other Business Entities

A. Restrictions:

- 1. See I.A.
- 2. No trust shall either directly or indirectly acquire or otherwise obtain or lease any agricultural land in the State. 1981 Neb. Laws LB9, § 9 (to be codified as Neb. Rev. Stat. §§ 76-1507 - 76-1517).

3. Exceptions:

- a. Family trusts, authorized trusts, and testamentary trusts. (For definitions see II.A.5.)
- b. A bona fide encumbrance taken for security.
- c. Land acquired for research or experimental purposes, provided that the commercial sales from the land are less than 25 percent of the gross sales of the primary product of the research.
- d. Land acquired by a trust company or bank in a fiduciary capacity for a family trust, authorized trust, or testamentary trust.
- e. Land held or leased by a trust on the effective date of the act, as long as the trust continues to hold or lease such land.
- f. Land acquired for immediate use in nonfarming purposes.

g. Any property held by the State of Nebraska.

Id.

4. Enforcement: Any trust violating the act shall be punished by a fine of not more than \$50,000, and shall divest itself of the land within 1 year. Id. § 10.

5. Definitions:

a. Agricultural land: Land used for the production of agricultural crops, poultry, eggs, milk, fruit and other horticultural crops, grazing, or livestock. It does not include the production of timber, forest products, nursery products, or sod. It also does not include contracts for farm services. Id. §§ 2, 3.

b. Family trust: 1) A majority interest in the trust is held by and a majority of the beneficiaries are persons related to each other and 2) all the beneficiaries are natural persons not acting as trustees for a trust. Id. § 6.

c. Authorized trust: 1) The beneficiaries do not exceed 25 in number, 2) the beneficiaries are all natural persons not acting as trustees for a trust, and 3) its income is not exempt from taxation by the United States or Nebraska. Id. § 7.

B. Reporting Requirements:

1. All corporations holding agricultural land in the State must file annual reports with the secretary of state containing the following information:

- a. The name of the corporation and its place of incorporation.
- b. The address of the registered office and the name and address of the registered agent in the State.
- c. The total acreage and location of all land in the State owned or leased by the corporation and used for the growing of crops or the keeping or feeding of poultry or livestock.
- d. Names and addresses of the officers and directors and of all shareholders owning 10 percent or more of the stock.
- e. The percentage of the members of the board of directors who are aliens.
- f. Name and address of each alien owning 10 percent or more of the voting stock.

- g. The names and addresses of the executive officers and managers who are aliens.
- h. The name and address of each person residing on a farm or actively engaged in farming and owning 10 percent or more of its voting stock.
- i. Any other information which the secretary of state deems necessary.

Neb. Rev. Stat. § 76-1503 (1976).

- 2. Exception: The reporting requirement does not apply to land owned or leased and used or capable of use for farming when such land is within the boundaries of any railroad, telephone, or utility operating right-of-way. Id. § 76-1504.
- 3. Penalty: Each corporation which fails to submit a report or which willfully submits false information shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000. Id. § 76-1506.
- 4. Definitions: Agricultural land: Land used for the production of agricultural crops, fruit or other horticultural crops, livestock, poultry, and milk. Id. § 76-1502.

C. Miscellaneous:

The county assessor shall forward to the secretary of state, by October 1 of each year, the name and address of every trust owning agricultural land in the county as shown by the assessment rolls of the county. 1981 Neb. Laws LB9, § 11.

NEVADA

I. Aliens

A. Restrictions:

- 1. Aliens residing outside the United States may inherit property only in the same manner as a reciprocal right is accorded to U.S. citizens. Nev. Rev. Stat. § 134.230. (1973).
- 2. In order to make an application to purchase Carey Act lands (desert reclamation lands), a person must be a U.S. citizen or a lawful permanent U.S. resident. Id. § 324.120 (1979).

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

NEW HAMPSHIRE

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

NEW JERSEY

I. Aliens

A. Restrictions:

Alien friends have the same rights with respect to owning real property as do citizens. An alien friend is considered to be any alien who shall be domiciled and resident in the United States and licensed or permitted by the U.S. government to remain and engage in business transactions in the United States, and who shall not be arrested or interned, or his property taken by the United States. N.J. Stat. Ann. § 46:3-18 (West Supp. 1980-81).

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

NEW MEXICO

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

NEW YORK

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

NORTH CAROLINA

I. Aliens

A. Restrictions:

The right of nonresident aliens to inherit real property is contingent on the reciprocal right existing in the alien's home country for U.S. citizens. The burden is on the non-resident alien to establish the existence of a reciprocal right. In the absence of reciprocity, the property will be disposed of as escheated property. N.C. Gen. Stat. §§ 64-3, 64-4, 64-5 (1975).

B. Reporting Requirements: None.

C. Miscellaneous:

The secretary of state is authorized and directed to collect all information obtainable from reports by aliens made to agencies of the Federal Government on ownership of real property interests in North Carolina, to be updated every 3 months, and to maintain a file on such information which shall be available to members of the General Assembly and the public. N.C. Gen. Stat. § 64-1.1 (1979).

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

NORTH DAKOTA

I. Aliens

A. Restrictions:

1. A person who is not a U.S. citizen, except a permanent resident alien or a citizen of Canada, may not acquire, directly or indirectly, any interest (including leasehold interests) in agricultural land. Nor may a partnership, limited partnership, trustee, or other business entity, directly or indirectly, acquire or otherwise obtain any interest (including leasehold interests) in any title to agricultural land, unless the ultimate beneficial interest of the entity is held directly or indirectly by U.S. citizens or permanent resident aliens. N.D. Cent. Code § 47-10.1-02 (Supp. 1979), as amended by 1981 N.D. Sess. Laws ch. 460, effective April 3, 1981.

2. Exceptions:

a. Land acquired by devise, inheritance, as security for indebtedness, in the collection of debts, or by enforcement of a lien. However, land acquired in the collection of debts or by enforcement of a

lien shall be disposed of within 3 years of acquiring such ownership, if the acquisition would otherwise be a violation.

- b. A foreign corporation may acquire agricultural land for use as an industrial site where construction contracts are entered into by the corporation within 150 days after acquisition of the land. Only so much land as is necessary for industrial purposes may be acquired, and the land may be held only so long as it is used for industrial purposes. The land must be disposed of within 1 year after acquisition if construction contracts are not entered into within 150 days after acquisition.
- c. Citizens or subjects of a foreign country whose rights to hold land are secured by treaty and railroad common carriers are not subject to the restrictions.
- d. Land acquired prior to July 1, 1979.

Id.

- 3. Enforcement: The attorney general shall enforce the above provisions by filing an action in the district court of the county where any land held in violation of this act is situated. If the court finds the land in question is held in violation of this act, it shall enter an order so declaring. The person or business entity holding the land shall then have 1 year to divest himself/itself of the land. Any land not divested within 1 year shall be sold at public sale. N.D. Cent. Code § 47-10.1-04 (Supp. 1979).
- 4. Definition: Agricultural land: Land capable of use in the production of agricultural crops, livestock, poultry, milk, or fruit and other horticultural products. It does not include any land zoned by a local governmental unit for a use other than agricultural use. It also does not include any oil, gas, coal or other minerals underlying the land, any interest in minerals separate from the surface, or any easements or tracts of land acquired in connection with the extraction, refining, processing, or transportation of minerals.
Id. § 47-10.1-01.

B. Reporting Requirements:

- 1. Any individual, partnership, limited partnership, trustee, or other business entity prohibited from future acquisition of agricultural land should have submitted a report to the commissioner of agriculture by October 1, 1979, for any land acquired before July 1, 1979. Reports by such individuals or entities are also required before July 1 of each year, and the commissioner shall make the information available to the public. The reports should contain the following:
 - a. A description of all agricultural land owned within the State.

- b. The purchase price and market value of the land.
- c. The use to which the land is put.
- d. The date of acquisition.
- e. Any other reasonable information the commissioner may require.

Id. § 47-10.1-05.

2. Penalty: Willful failure to properly register any parcel of land as required above is a misdemeanor. Id. § 47-10.1-06.

3. Definitions: See I.A.4.

C. Miscellaneous:

- 1. A register of deeds in the State shall not record any instrument affecting title to, possession of, or interest in agricultural land where the acquiring person or business entity is in violation of I.A. Id. § 47-10.1-03.
- 2. See II.A.2.b.(4).

II. Corporations and Other Business Entities

A. Restrictions:

1. All corporations (including joint stock companies or associations) are prohibited from owning or leasing land used for farming or ranching and from engaging in the business of farming or ranching. 1981 N.D. Sess. Laws ch. 134, § 1, effective July 1, 1981 (to be codified as N.D. Cent. Code § 10-06-01).

2. Exceptions:

- a. Cooperative corporations, 75 percent of whose members or shareholders are actual farmers or ranchers residing on farms or ranches or depending principally on farming or ranching for their livelihood. Id. § 3 (§ 10-06-04).
- b. A Domestic corporation meeting all of the following requirements is exempt from the restrictions:
 - (1) It does not have more than 15 shareholders or members.
 - (2) Each shareholder or member is related to one another.
 - (3) Each shareholder is either an individual, a trust for an individual, or an estate of a decedent who was related to a shareholder. However, neither a trust nor an estate may be a shareholder if their beneficiaries

together with the other shareholders are more than 15 in number.

- (4) Each individual who is a shareholder or member is a U.S. citizen or permanent resident alien.
- (5) The officers and directors of the corporation must be shareholders or members who are actively engaged in operating the farm or ranch and at least one of its shareholders or members must be an individual residing on or operating the farm or ranch.
- (6) An annual average of at least 65 percent of the corporation's gross income over the previous 5 years, or for each year of existence, if less than 5 years, shall have been derived from farming or ranching.
- (7) The corporation's income from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of the corporation's gross receipts.

Id. § 4 (§ 10-06-07).

- c. Any corporation may acquire farm or ranch land as security for indebtedness, in the collection of debts, or by enforcement of a lien. However, all such lands must be disposed of within 3 years after acquisition. In the interim, such lands shall be leased to persons actually engaged in farming or ranching. Id. § 10 (§ 10-06-13).
3. Enforcement: The attorney general or any resident of the county may commence an action in the district court of the county where the land is located, for suspected violations of the act. If the court finds a violation, the corporation must divest itself of the land and cease all farming and ranching operations within 1 year. Any corporation that fails to comply with the court's order shall be dissolved by the secretary of state. Any land not divested within 1 year will be sold at public sale. Id. §§ 10, 11 (§§ 10-06-13, 10-06-14).
4. Definition: Farming or ranching: Cultivating land for the production of agricultural crops, livestock, poultry, milk, fruit, or horticultural products. It does not include production of timber or forest products or contracts for farm services. Id. § 2 (§ 10-06-01.1).
5. See also I.A.

B. Reporting Requirements:

1. Every corporation engaged in farming or ranching after June 30, 1981, shall file with the secretary of state a report at the time of the filing of the corporation's articles of

incorporation, and thereafter annually, prior to April 15. Information from the reports will be printed in a newspaper in each county where land is owned or leased by a corporation filing report. No corporation may commence farming or ranching in the State until the secretary of state has certified the initial report. The reports must contain the following:

- a. The name of the corporation and its place of incorporation.
- b. The address of the registered office and the name and address of the registered agent in the State.
- c. The acreage and location of all land owned or leased in the State and used for farming or ranching.
- d. The names and addresses of the officers and directors.
- e. The number of shares of stock or the percentage of interest in the acreage the corporation used for farming or ranching, which is owned or leased by persons residing on the farm or ranch and actively engaged in farming or ranching, or by relatives.
- f. The name, address, relationship, and number of shares of stock or the percentage of interest in the acreage the corporation used for farming or ranching, which is owned or leased by each shareholder or beneficiary.
- g. The percentage of gross receipts derived from rent, royalties, dividends, interest, and annuities.

Id. § 5 (§ 10-06-08).

2. Penalty: Every corporation which fails to file a required report or willfully files false information is guilty of a misdemeanor. Id. §§ 5, 6 (§§ 10-06-08, 10-06-09).
3. Definitions: See II.A.4.
4. See also I.B.

OHIO

I. Aliens

A. Restrictions: None.

B. Reporting Requirements:

1. All nonresident aliens who acquire any interest, directly or indirectly, in real property located in this State that is in

excess of 3 acres or that has a market value greater than \$100,000 or any interest in mining or minerals that has a market value in excess of \$50,000 shall, within 30 days of the acquisition, file a report with the secretary of state. The report shall contain the following:

- a. Name, address, and telephone number.
- b. Country of citizenship.
- c. Location and amount of acreage of real property.
- d. Intended use of real property at the time of filing.

Ohio Rev. Code Ann. § 5301.254(B) (Page 1981).

2. Every corporation or business entity in which an individual nonresident alien acquires at least a 10 percent interest or in which any number of nonresident aliens acquire at least a 40 percent interest shall file a report for real property acquired which is in excess of the amounts listed in I.B.1. The reports shall be filed within 30 days of acquisition and contain the following information:

- a. Name, address of principal place of business, and address of principal Ohio office.
- b. Name, address, telephone number, and country of citizenship of each nonresident alien who owns at least a 10 percent interest in the entity.
- c. The percentage, within 5 percentage points, of shares of stock or other interests controlled by the nonresident aliens of each country represented by them if such interests exceed 5 percent.
- d. Location and amount of acreage of real property.
- e. Principal business of corporation or entity.
- f. Intended use of real property at time of filing.
- g. Name of the chairman of governing board, if any, chief executive, if any, and partners, if any.
- h. Name of the corporation's or entity's agent in this State.
- i. Place of incorporation, if a corporation.
- j. Number of persons who own shares of stock or other interests.

Id. § 5301.254(C).

3. All nonresident aliens or business entities which acquired real property prior to March 19, 1979, and which otherwise would have been subject to the provisions of the act, should have filed reports within 1 year of that date. Id. § 5301.254 (compilers notes).
4. Persons or entities required to report their acquisitions under the act shall also report the sale of the property or any change in their status within 30 days of the sale or change in status. Id. § 5301.254(D).
5. Penalty: Any individual, corporation, or business entity which violates the act will be fined not less than \$5,000 nor more than an amount equal to 25 percent of the market value of the property. Id. § 5301.99.

II. Corporations and Other Business Entities

A. Restrictions: None.

B. Reporting Requirements: See I.B.

OKLAHOMA

I. Aliens

A. Restrictions:

1. No alien may own land unless a resident of the State. Alien nonresidents who acquire land by devise, descent, or purchase, where such purchase is made under foreclosure liens, may hold the land but must dispose of it within 5 years of acquiring title, upon penalty of escheat. In addition, resident aliens who cease to be bona fide residents must dispose of their land within 5 years of ceasing to be residents. Okla. Stat. Ann. tit. 60, §§ 121-124 (West 1971), Okla. Const. art. 22, § 1. The Oklahoma Supreme Court has held that the restrictions on alien landownership apply to alien corporations. However, an alien corporation licensed to do business in Oklahoma is considered a resident of the State and is not subject to the restrictions above. 630 P.2d 1253 (Okla. Sup. Ct. 1981)

2. See II.A.2.

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

A. Restictions:

1. No corporation shall own real estate in the State located

outside of any incorporated city or town, except:

- a. Such real estate as is necessary and proper for carrying on the business for which the corporation has been lawfully incorporated or domesticated in the State. (No corporation shall be licensed for the purpose of acquiring real estate outside of incorporated cities.)
- b. Real estate acquired through a mortgage foreclosure or in collection of a debt. However, such real estate must be disposed of within 7 years.
- c. Real estate acquired for lease or sale to any other corporation, if such latter corporation could have legally acquired the same in the first instance.
- d. Religious, educational, and charitable corporations are not subject to the restriction.

Okla. Stat. Ann. tit. 18, § 1.20 (West Supp. 1980-81), Okla. Const. art 22, § 2 (amended 1954).

2. No foreign corporation shall be formed or licensed in the State for the purpose of engaging in farming or ranching or for the purpose of owning or leasing any interest in land to be used in the business of farming or ranching. A domestic corporation may be formed to engage in such activities if the following requirements are met:

- a. All the shareholders are natural persons, estates, or trustees of trusts for the benefit of natural persons.
- b. Not more than 35 percent of the corporation's annual gross receipts (or the average gross receipts over 5 years) shall be from any source other than 1) farming or ranching or both or 2) allowing others to extract minerals underlying the lands.
- c. The corporation may have no more than 10 shareholders unless the shareholders in excess of 10 are related.
- d. Its articles of incorporation must be approved by the State Board of Agriculture.

Okla. Stat. Ann. tit. 18, § 951 (West Supp. 1980).

Penalty: Any farming or ranching corporation which violates 951 shall be fined an amount not to exceed \$500. Any other person or entity who knowingly violates the section shall be deemed guilty of a misdemeanor. Id. § 952.

3. No corporation organized for a purpose other than farming or ranching shall own, lease, or hold, directly or indirectly,

agricultural lands in excess of that amount reasonably necessary to carry out its business purpose.

Enforcement: Any resident of the county in which the land is located may initiate an action for divestment of an interest in land held by a corporation in violation of these provisions. However, a corporation will not be required to dispose of land acquired before June 1, 1971.

Id. §§ 952, 953.

4. The provisions of 2 and 3, above, do not apply to corporations engaged in food canning operations, food processing, or frozen food processing insofar as such corporations engage in the raising of food products for such purposes. Id. § 953.
5. No person, corporation, association, or any other entity shall engage in farming or ranching or own or lease any interest in land to be used in the business of farming or ranching, except the following:
 - a. Natural persons and estates of such persons.
 - b. Trustees of trusts, provided that 1) each beneficiary is a person or entity described in a-d, herein; 2) there shall not be more than 10 beneficiaries, unless the beneficiaries in excess of 10 are related; and 3) at least 65 percent of the trust's annual gross receipts (or the average gross receipts over 5 years) shall be derived from farming or ranching or from allowing others to extract minerals underlying the land.
 - c. Corporations provided for in II.A.2, 3, and 4, or otherwise permitted by law.
 - d. Partnerships and limited partnerships, provided that the partnership meets the same type of requirements set forth for trusts in b, above.
 - e. Land acquired prior to June 1, 1978, is exempt from the restriction.

Penalty and Enforcement: Same as II.A.2, and 3.
Id. §§ 955, 956.

B. Reporting Requirements: None.

OREGON

I. Aliens

A. Restrictions:

Only citizens and persons who have declared their intention

to become citizens may purchase State lands. Or. Rev. Stat. §§ 273.255, 517.010, 517.044 (1977).

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

PENNSYLVANIA

I. Aliens

A. Restrictions:

1. Nonresident aliens and foreign governments shall not acquire an interest in agricultural land exceeding 100 acres. Pa. Stat. Ann. tit. 68, § 41 (Purdon Supp. 1981-82).
2. Any resident alien who ceases to be a bona fide resident must dispose of his excess agricultural lands within 3 years of the termination of his residency. Id. § 43.

3. Exceptions:

- a. Land acquired by devise or descent or held as security for indebtedness. However, nonresident aliens who acquire land by devise or descent but who are not the grandfather, grandmother, father, mother, husband, wife, or other lineal descendant of the descedent must dispose the land within 3 years. Id. §§ 41, 44.
- b. The restrictions do not apply to citizens, foreign governments, or subjects of a foreign country whose rights to hold land are secured by treaty. Id. § 41.
- c. Land acquired in the collection of debts or through enforcement of a lien, provided that such lands are disposed of within 3 years after acquiring title. Id. § 42.

4. Enforcement: The State Department of Agriculture shall monitor compliance with the provisions of the act through reports submitted under the U.S. Agricultural Foreign Investment Disclosure Act of 1978. Agricultural land acquired or held in violation of the act shall be forfeited to the State. No forfeiture will be adjudged unless the attorney general brings an action to enforce it within 5 years of the acquisition by the alien. Id. § 46.
5. Definition: Agricultural land: Land capable of use in the production of agricultural crops, timber, livestock, poultry, milk, or fruit and other horticultural products. It does not include any royalty interest; any oil, gas, or other mineral interest; any lease,

right-of-way, option, or easement relating thereto; or any land zoned by a local government for a use other than and nonconforming with agricultural use. Id. § 47.

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

RHODE ISLAND

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

SOUTH CAROLINA

I. Aliens

A. Restrictions:

Aliens may acquire, hold, and dispose of real property in the same manner as a natural born citizen, provided that aliens and corporations controlled by aliens may not own or control more than 500,000 acres of land within the State. Lands acquired through the foreclosure of mortgages are excluded, provided the excess lands are disposed of within 5 years. S.C. Code §§ 27-13-10, 27-13-30, 27-13-40 (1976).

B. Reporting Requirements: None.

C. Miscellaneous: See II.C.

II. Corporations and Other Business Entities

A. Restrictions: See I.A.

B. Reporting Requirements: None.

C. Miscellaneous:

The tax assessment of agricultural real property owned by certain corporations and actually used for agricultural purposes is different if the corporation has 1) more than 10 stockholders, 2) a stockholder who is not an individual, 3) a nonresident alien stockholder, or 4) more than one class of stock. S.C. Code § 12-43-220 (Supp. 1980).

SOUTH DAKOTA

I. Aliens

A. Restrictions:

1. No nonresident alien or foreign government may acquire any interest in agricultural land exceeding 160 acres. S.D. Compiled Laws Ann. § 43-2A-2 (Supp. 1980).
2. Resident aliens may acquire agricultural land, but if a resident alien ceases to be a bona fide resident, he must dispose of land in excess of 160 acres within 3 years of the termination of his residency. Id. § 43-2A-5.
3. Exceptions:
 - a. Land acquired by devise or descent or held as security for a debt. However, land acquired by devise or descent must be disposed of within 3 years after acquisition. Id. §§ 43-2A-2, 43-2A-3.
 - b. The restrictions do not apply to citizens, foreign governments, or subjects of a foreign country whose right to hold land are secured by treaty. Id. § 43-2A-2.
 - c. Land acquired in collection of debts or through enforcement of a lien, provided that such land must be disposed of within 3 years after acquisition. Id. § 43-2A-4.
4. Enforcement: The State Department of Agriculture shall monitor, for compliance with the act, biannual reports transmitted to the department pursuant to section 6 of the U.S. Agricultural Foreign Investment Disclosure Act of 1978. If any noncompliance is discovered, the attorney general shall investigate and initiate legal action if necessary. All agricultural lands held in violation of this act shall forfeit to the State if the enforcement action is brought within 3 years of the acquisition. Id. §§ 43-2A-6, 43-2A-7.
5. Definition: Agricultural land: Land capable of use in the production of agricultural crops, timber, livestock, poultry, milk, or fruit and other horticultural products. It does not include any royalty interest; any oil, gas, or other mineral interest; any lease, right-of-way, option, or easement relating thereto; or any land zoned by a local government for a use other than and nonconforming with agricultural use. Id. § 43-2A-1.

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

A. Restrictions:

1. No corporation shall engage in farming nor, directly or indirectly,

own, acquire, or otherwise obtain any interest in real estate used or capable of use for farming. Id. § 47-9A-3.

2. Exceptions:

- a. Banks and trust companies. However, they may not purchase lands through a pooled investment fund formed from assets from retirement, pension, profit sharing, stock bonds, or other trusts. Id. § 47-9A-4.
- b. Land owned or leased by a corporation before July 1, 1974, including the normal expansion of such ownership at a rate not to exceed 20 percent in any 5 year period, and additional acreage necessary to meet the requirements of pollution control regulations. Id. § 47-9A-5.
- c. A bona fide encumbrance taken for purposes of security. Id. § 47-9A-6.
- d. Land acquired in the collection of debts or through enforcement of a lien, provided that all such lands are disposed of within 10 years after acquisition. In addition, the land may not be used for farming during the 10 year period except under lease to a family farm unit, a family farm corporation, or an authorized farm corporation. Id. § 47-9A-7.
- e. Family farm corporations and authorized farm corporations. (For definitions see II.A.4.) Id. § 47-9A-13.
- f. Gifts of agricultural land to nonprofit corporations. Id. § 47-9A-8.
- g. A farm operated for research or experimental purposes, provided that any commercial sales from the farm are incidental to those purposes. Id. § 47-9A-9.
- h. Land operated by a corporation for the purpose of raising breeding stock for resale to farmers, or for growing seed, nursery plants or sod, or solely for the purpose of feeding livestock. Id. §§ 47-9A-10, 47-9A-11.
- i. Land acquired for immediate or potential use in nonfarming purposes. Such land may be held in such acreage as is necessary to the nonfarm business operation. However, pending the development of the land for nonfarm use, the land may not be used for farming except under lease to certain entities permitted by statute. Id. § 47-9A-12.

3. Enforcement: The attorney general shall bring an action for suspected violations in the circuit court of the county where the land is located. If the court finds a violation, the corporation shall divest itself of the land within 5 years. Any lands not divested within that time shall be sold at public sale. Id. §§ 47-9A-21, 47-9A-22.

4. Definitions:

- a. Agricultural land: Land used for the production of agricultural crops, livestock, poultry, milk, or fruit or other horticultural products. It does not include the production of timber or forest products, nor contracts for farm services. Id. § 47-9A-2.
- b. Family farm corporation: 1) Founded for the purpose of farming and the ownership of agricultural land, 2) the majority of the voting stock is held by and the majority of the stockholders are persons related to each other, 3) at least one of the stockholders is a person residing on or actively operating the farm, and 4) none of the stockholders are corporations. Id. § 47-9A-14.
- c. Authorized farm corporation: 1) The shareholders do not exceed 10 in number, 2) the shareholders are all natural persons or estates, 3) the shares are all of one class, and 4) the revenues from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts. Id. § 47-9A-15.

B. Reporting Requirements:

1. Every corporation engaged in farming or proposing to commence farming in the State shall file a report with the secretary of state. No corporation shall commence farming in the State until the secretary of state has certified the report. In addition, corporations engaged in farming must file reports before May 1 of each year. The reports must contain the following information:
 - a. The name of the corporation and its place of incorporation.
 - b. The address of the registered office, and the name and address of the registered agent in the State.
 - c. The acreage and location of the agricultural land owned or leased by the corporation.
 - d. The names and addresses of the officers and directors of the corporation.

Id. §§ 47-9A-16, 47-9A-18, 47-9A-19.
2. The report of a corporation seeking to qualify as a family farm corporation or an authorized farm corporation must contain the following additional information:
 - a. The number of shares owned by persons residing on the farm or actively engaged in farming, or their relatives.
 - b. The name, address, and number of the shares owned by each shareholder.

c. The percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest, and annuities.

Id. § 47-9A-17.

3. Penalty: Every corporation which fails to file a report, or willfully gives false information on a report, is guilty of a misdemeanor and may be punished by a fine of not more than \$1,000. Id. § 47-9A-20.

4. Definitions: See II.A.4.

TENNESSEE

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

TEXAS

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

A. Restrictions:

1. No private corporation (except nonprofit corporations) shall be permitted to purchase any lands, unless they are necessary to enable such corporation to do business in the State or to secure the payment of a debt. Lands acquired in excess of what is necessary for doing business or acquired in payment of a debt shall be sold and conveyed within 15 years of such acquisition. Tex. Rev. Civ. Stat. Ann. arts. 1302-4.01, 1302-4.02, 1302-4.03 (Vernon 1980).
2. No corporation whose main business purpose is the acquisition or ownership of land may acquire by purchase, lease, or otherwise any land in the State. However, land located within incorporated or unincorporated towns, cities, or villages, and their suburbs extending to 2 miles, may be leased, purchased, sold, or subdivided by corporations created for that purpose. Id. arts. 1302-4.04, 1302-4.05.
3. Enforcement: All corporations holding lands contrary to the provisions above are subject to proceedings instituted by the attorney general for forfeiture or escheat of the land. Id. arts. 1302-4.06, 1302-4.07.

B. Reporting Requirements: None.

UTAH

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

VERMONT

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

VIRGINIA

I. Aliens

A. Restrictions:

Aliens not enemies may acquire, inherit, hold, and transmit real property. Va. Code § 55-1 (1974).

B. Reporting Requirements:

Virginia has legislation entitled "Foreign Agricultural Investment Disclosure Act" which has reporting requirements similar to the U.S. Agricultural Foreign Investment Disclosure Act of 1978 (AFIDA). Va. Code §§ 3.1-22.22 through 3.1-22.27 (Supp. 1980). However, the Virginia Commissioner of Agriculture has not elected to implement requirements and will rely solely on AFIDA data received through the U.S. Department of Agriculture. Letter from S. Mason Carbaugh, Commissioner of Agriculture, to Leland E. Beale, Jr., Executive Director, Virginia State ASCS Office (April 6, 1979).

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

WASHINGTON

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

WEST VIRGINIA

I. Aliens

No restrictions or reporting requirements.

II. Corporations and Other Business Entities

A. Restrictions: None.

B. Reporting Requirements: None.

C. Miscellaneous:

1. Every corporation holding more than 10,000 acres of land in the State shall pay the State a tax of 5 cents per acre for every acre over 10,000. Such corporations must also apply to the secretary of state for a certificate authorizing the holding of the number of acres stated in such application. W. Va. Code § 11-12-75 (1974).
2. Foreign corporations must pay a higher license tax than domestic corporations. The tax assessment is based upon the amount of property owned within the State. W. Va. Code §§ 11-12-80, 11-12-81 (Supp. 1980).

WISCONSIN

I. Aliens

A. Restrictions:

1. Nonresident aliens, alien corporations, and corporations in which more than 20 percent of the stock is owned by nonresident aliens are prohibited from acquiring more than 640 acres of land in the State. Wis. Stat. Ann. § 710.02 (West Special Pamphlet 1980).

2. Exceptions:

- a. Nonresident aliens and alien corporations may acquire more than 640 acres of land if it is acquired by devise, inheritance, or in good faith in the collection of debts.
- b. Corporations with a nonresident alien interest of greater than 20 percent may acquire more than 640 acres of land in good faith in the collection of debts.

- c. The prohibitions do not apply to railroad or pipeline corporations.

Id.

- 3. Enforcement: All lands acquired, held, or owned in violation of the above, shall be forfeited to the State. Id.

- B. Reporting Requirements: None.

II. Corporations and Other Business Entities

A. Restrictions:

- 1. No corporation or trust may own land on which to carry on farming operations unless the corporation or trust meets the following standards:
 - a. Its shareholders or beneficiaries do not exceed 15 in number. Relatives in one family may be considered collectively as one shareholder.
 - b. It does not have more than 2 classes of shares.
 - c. All the shareholders or beneficiaries are natural persons or estates.

Wis. Stat. Ann. § 182.001(1) (Supp. 1980-81).

2. Exceptions:

- a. Land acquired by bequest or devise or in the regular course of business in satisfaction of a mortgage or lien, provided that such land is disposed of within 5 years after acquisition at fair market value.
- b. Small business investment corporations or corporations acting in a fiduciary capacity where the trust meets the standards in II.A.1.
- c. Land owned by a corporation on June 5, 1974, including the normal expansion of such ownership not to exceed 20 percent in any 5 year period, or additional land acquired to meet pollution control requirements.
- d. Land owned by a trust on May 27, 1978.
- e. Farms engaged primarily in research, breeding operations, or the production of any crop primarily for seed.
- f. Land acquired for expansion or other business purposes and such land may be used for farming if leased to a person not prohibited from engaging in farming operations.

g. When the farming use is incidental to the principal nonfarming purpose for which the property is held.

Id. § 182.001(2).

3. Enforcement: Any corporation or trust violating this act shall be fined not more than \$1,000 for each violation, and each day of violation is a separate offense. The attorney general may also commence an action to enjoin farming operations and to require divestiture of the land. Id. § 182.001(4).
4. Definition: Farming operations: the production of dairy products not including their processing; the production of cattle, hogs and sheep; and the production of wheat, field corn, barley, oats, rye, hay, pasture, soy beans, millet, and sorghum. Id. § 182.001(3).
5. See also I.A.

B. Reporting Requirements: None.

WYOMING

I. Aliens

A. Restrictions

1. All nonresident aliens not eligible for citizenship under U.S. law are prohibited from acquiring an interest in real property, unless a reciprocal right is accorded U.S. citizens in the alien's home country. Any transfer of real property to an alien ineligible to take it shall be void. Wyo. Stat. §§ 34-15-101, 34-15-102 (1977).

Penalty: Any nonresident alien ineligible to take real property or any U.S. citizen, who knowingly violates any of the provisions above, shall be deemed guilty of a felony and shall be subject to a fine of not more than \$5,000 and sentenced to not more than 5 years in the State penitentiary. Id. § 34-15-103.

2. Nonresident aliens shall not acquire real property by succession or testamentary disposition unless reciprocal rights exist in the alien's country of citizenship. The burden is on the alien to establish the existence of reciprocal rights. Wyo. Stat. §§ 2-4-105, 2-4-106 (1980).

B. Reporting Requirements: None.

II. Corporations and Other Business Entities

No restrictions or reporting requirements.

References

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Reynolds, State Statutory Restrictions on Alien and Corporate Ownership of United States Agricultural Land, 1 Agr. L.J. 415 (1979).

Spinner, "State by State Survey of Limitations on Foreign Investment", in Foreign Investment in the United States, 597, District of Columbia Bar Manual (Marans, Williams, and Griffin ed. 1980).

Statute books of each of the 50 states.

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